

## **CITY OF DEL MAR**

### **Proposition N**

(This proposition will appear on the ballot in the following form.)

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# **PROP N**

Shall the Charter of the City of Del Mar be amended to allow the City to impose a real property transfer tax by an amount not to exceed \$6 per \$1,000 of value on sales and eligible transfers of real property?

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This proposition requires approval by a majority (over 50%) of the voters.

### **CITY ATTORNEY'S IMPARTIAL ANALYSIS**

The City of Del Mar is currently authorized by state law to share with the County of San Diego the proceeds of a documentary transfer tax on the value of certain real property exchanges. A majority vote of approval for this proposition would 1) amend the City's Charter to permit the direct imposition of such a tax by the City of Del Mar, as part of its municipal affairs, and 2) permit the imposition of the tax in an amount not to exceed \$6 per \$1,000 of property value.

## **ARGUMENT IN FAVOR OF PROPOSITION N**

Vote Yes on N – Preserve quality city services for all Del Mar Residents.

Del Mar is facing a budget crisis. Over the last ten years the state has taken away \$5 million dollars from the City to solve Sacramento's budget problems. Last year alone the state took \$828,000 (11%) from the City's budget.

These raids on local revenues have severely impacted Del Mar's ability to fund important local programs such as police and fire service, pedestrian improvements, and downtown revitalization. Additionally, the state has mandated the City implement new programs without providing any funding. To balance our budget for this fiscal year, the City has reduced expenses, cancelled important capital projects and left positions unfilled. Any further cuts will degrade essential services.

To resolve Del Mar's fiscal crisis, a volunteer citizen's committee recommends that the City Charter be amended to allow an increase in the real property transfer tax (of up to \$6.00 per \$1,000 of a property's sale price). This transfer tax would only be paid when a property is sold. As an example, a home or commercial property selling for \$1,000,000 would generate a one-time additional tax of \$6,000.

Transfers/gifts of property in or out of a trust or between family members would not trigger the real property transfer tax.

We support this measure because the new revenues stay in Del Mar. The money cannot be taken by Sacramento. This money helps to replace revenues the state has taken away. In the future should economic conditions improve, the measure would also allow the City Council to reduce this tax. Current City Council members unanimously support this proposition.

Protect Del Mar's future. Preserve quality services for Del Mar. Please Vote Yes on N.

### **YES ON "N"**

RICHARD L. EARNEST  
Mayor  
City of Del Mar

DONN BLEAU  
Former Chair  
Del Mar Finance Committee

JOSEPH E. SULLIVAN  
Treasurer  
Yes on N

PATRICK GIANNETTO  
President  
Del Mar Firefighters  
IAFF LOC 4163

JERRY FINNELL  
Deputy Mayor  
City of Del Mar

## REBUTTAL TO THE ARGUMENT IN FAVOR OF PROPOSITION N

**Vote NO on N – Demand Fiscal Responsibility from the Del Mar City Council!**

Del Mar's budget crisis is not merely a result of state government raids on local revenues. Rather, it is a symptom of **chronic waste and mismanagement of local government**.

Local officials have had to deal with state appropriations from the city budget for over a decade, yet, despite the City's stable population, have done **little to restrict City spending**.

During the same period, they **increased the number of city employees by almost 50%**, engaged in failed **taxpayer-funded lawsuits**, and **squandered potential revenue from the Fairgrounds**.

Now, to cover their fiscal failures, they seek to levy a **new, unjust tax of up to \$6,000 to \$100,000 on every taxpaying property owner selling their property** in the City of Del Mar.

This **new tax** violates the spirit of the Jarvis-Gann Initiative, Proposition 13, and may create a lien on your property!

It will **neither improve essential services nor solve our budget crisis**. More likely, it will **discourage new businesses and homeowners** from establishing residence in an otherwise commercially viable and taxpayer-friendly city.

The City Council claims this new tax is reversible "should economic conditions improve," but they make **no guarantees!**

**Hold local government accountable!**

**Insist upon fiscal responsibility!**

**Demand the right way, and not the easy way!**

The Council's fiscal failure should not become the residents' economic burden.

We ask residents of Del Mar to **vote against this new tax burden**.

**Vote NO on Proposition N.**

JON COUPAL  
President  
Howard Jarvis Taxpayers Association

LEWIS K. UHLER  
President  
National Tax Limitation Committee

HON. ANDY SCHOOLER  
Former Mayor  
City of Del Mar

TENSIA MORIEL TREJO  
Past President  
Del Mar Historical Society

KEVIN M. BURKE  
Founder  
Del Mar Citizens United Against the Property Tax

## **ARGUMENT AGAINST PROPOSITION N**

The Del Mar City Council want to effectively put a lien of \$6,000 to \$100,000 on every single property in Del Mar with the average lien being \$10,500. Instead of learning to work within their budget, they instead choose to look for additional means to support the current staff of 52 employees. We did just fine with 30 city employees a decade or two ago. Our population has not increased. Let's demand a staff cut to 40 or less which will solve their perceived problem.

To collect this new tax, the City of Del Mar has to return the approximately \$150,000 of existing transfer tax they currently receive. If this tax passes, the City of Del Mar will set a precedent that will likely spread to every other city in San Diego County just like it did in Los Angeles County. This is a lien on private property!

Del Mar has wasted taxpayer money on numerous lawsuits as well as losing the revenue we once had from the Fairgrounds. We need to cut spending rather than adding or increasing taxes.

Instead of directing the Advisory Committee to examine ways of reducing City expenses, they were advised "... to consider proposals which would provide funds ..." or additional ways to increase revenue.

We ask the residents of Del Mar to revolt against this new tax lien. There is no question that it circumvents the intent of the Jarvis-Gann Initiative Proposition 13.

**Please Vote No on Proposition N.**

### **DEL MAR CITIZENS UNITED AGAINST PROPERTY TAX**

KEVIN M. BURKE

MARIE E. KOHN

MELINDA H. BEDELL

DEREK H. BEDELL

CHRIS VILLASENOR

## **REBUTTAL TO THE ARGUMENT AGAINST PROPOSITION N**

The arguments against Proposition N are misleading and untrue.

It is simply not true that firing people will solve the City's financial problems. Cutting employees would impact services like public safety. The transfer tax would generate revenue to maintain quality services. It's not a lien and is only paid when property is sold.

The City has managed its resources well and has acted aggressively to save your tax dollars. For example, the recent decision to share a Fire Chief with the City of Solana Beach produced the savings that helped balance this year's budget. A "pay as you go" philosophy has given Del Mar the highest possible bond rating for a City of its size. The City has always balanced its budget.

That is why even the San Diego County Taxpayer's Association (an independent taxpayer watchdog group) has endorsed Prop. N. The Taxpayer's association did a thorough examination of Del Mar's finances before reaching its decision.

The City had 48 employees fifteen years ago and it has 53 today. Additional employees have been required to meet federal and state un-funded mandates. Del Mar is in many ways a better place than it was 15 years ago. Passage of Prop N is essential to continuing necessary capital improvements and will protect us from future State raids.

No one wants more taxes- but we are convinced that a failure to act now will threaten the ability of the city to deliver fundamental services.

**Vote Yes on N – Protect Del Mar's future.**

RICHARD EARNEST  
Mayor  
City of Del Mar

JIM KENNEDY  
Chairman  
Del Mar Finance Committee

LISA BRIGGS  
Executive Director  
San Diego County Taxpayers Association

CHIQUITA ABBOTT  
Chiquita Abbott, Realtors

GERALD E. FINNELL  
Deputy Mayor  
City of Del Mar